

NEWS IN BRIEF

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Trump Announces U.S.- U.K. Tariff Deal

President Trump has announced in an executive order an agreement with the United Kingdom in dealing with section 232. There will be a Section 232 quota tariff for British cars of 7.5%. This will bring the combined regular MFN duty and the 232 duties to a total of 10% for the first 100,000 cars. The same executive order said the automotive parts of British origin and for use in U.K.-made vehicles will be subject to tariffs of 10% (including MFN rates). The order also addresses the aerospace industry. It eliminates reciprocal tariffs along with steel and aluminum derivative tariffs on civil aircraft parts, engines, and helicopters. These changes will go into effect after publication in a Federal Register Notice, which will be issued 7 days after the June 16 issuance of the executive order.

The order also includes a commitment to additional negotiations to open trade between the two countries with a follow-up Federal Register Notice that will include a larger opening of the U.K. market to U.S. goods, especially for beef and agricultural products, as these changes are actually put into place.

CBP is Issuing More Trade Enforcement Penalties

U.S. Customs and Border Protection (CBP) is moving to a stronger trade enforcement posture and has recently increased the number of penalties being issued. The penalty notices go to the importer, and the broker does not get a courtesy copy. CBP allows only 60 days to file a petition for mitigation. If you receive a notice of penalty, please contact us.

Senate Confirms New Commissioner of CBP

The Senate has confirmed Rodney Scott to be the new Commissioner of U.S. Customs and Border Protection. Scott was a Border Patrol agent from 1992 and became the head of Border Patrol. Previously, Scott was the head of the Border Patrol from January 2020 until August of 2021.

Two ASEAN Countries Close to Tariff Deal

The Association of Southeast Asian Nations (ASEAN) is a group of nations in a bloc that are treated as one country for tariff purposes by the United States. The ASEAN countries consist of Burma, Cambodia, Indonesia, Philippines, and Thailand. Products from these countries can be made of a qualifying content made up of parts from any of the (5) countries. For example, under the GSP for the Philippines content rule for goods from Thailand can have materials made of 10% content from Burma, 5% Cambodia content and 20% Thailand content and still qualify for GSP. Two of the member countries, Vietnam and the Philippines are getting close to a reciprocal trade agreement. There is hope that the other 3 ASEAN countries are working with the Trump administration to standards that would qualify all (5) countries for the same reduced tariffs.

By Asim Faiz, President